

Please replace the paragraph beginning at page 2, line 2, with the following rewritten paragraph:

B2
-- Generally, a distributed dynamic channel allocation algorithm is disclosed for a multi-carrier CDMA cellular system having at least one mobile base station. The disclosed distributed dynamic channel allocation algorithm is based on channel power measurements carried out by both the mobile station requesting an allocation of a resource and the mobile base station attempting to allocate an available resource to the mobile station. Channel power measurements from both the mobile base station and the requesting mobile station are used since the mobile base stations are not fixed base stations as is the case in commercial CDMA systems. --